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UNCLAS SECTION 01 OF 02 MANILA 004814

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E.O. 12958: N/A

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SUBJECT: Air Traffic Controller Staffing "Not Unsafe"

REF: A) Manila 4421

B) Manila 3838  
C) Manila 3760  
D) Manila 1150

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1. (SBU) Summary. Our most recent discussions and observations indicated no aviation safety threat at this time due to air traffic controller (ATC) staffing. In a meeting October 6 with DCM, econoffs, and a senior U.S. FAA rep, GRP officials acknowledged a staffing deficit but provided credible data and background that showed sufficient staffing to operate safely with overtime shifts. GRP officials described the situation as "better than one year ago" because they are training more ATCs than they lose to attrition. A site tour of ATC and other facilities at the Manila Airport and our discussions with U.S. carrier representatives also indicated normal and safe operations with no evidence to suggest declining air traffic control quality. End summary.

2. (SBU) DCM, senior FAA rep Chris Metts, and econoffs met with Undersecretary for Airport Transportation Security Cecilio R. Penilla, Air Transportation Office (ATO) Director General Nilo C. Jatico, and other ATO officials on October 6 to discuss air traffic controller staffing and the potential impact on aviation safety. ATO officials admitted a "43 percent" staffing deficit but said that they sufficiently covered operations by managing overtime within ICAO standards, staffing according to traffic needs, and training new hires and military ATCs (refs a-b). ATO officials explained that ATCs work a two-hour on, one-hour off rotation so that even if they clocked two eight-hour shifts, they actually worked at most 8-10 hours in that timeframe. FAA rep and econoffs concluded that there are no indications or symptoms of any breach of safety.

3. (SBU) ATO officials described the situation as "better than one year ago" because they trained more ATCs than they lost to attrition. The emigration of experienced ATCs remains a serious problem. ATCs receive low salaries, now about \$340-\$535 per month (depending on experience), often less than one-fourth the salary of counterparts in the region and many multiples below U.S. or European pay scales. ATO officials underscored that they are seeking legislation to create an autonomous civil aviation authority so that they can train, hire, and compensate as needed (refs a-b). Current government ceilings on hiring and salaries pose major obstacles, and Congress does not assign a high priority to ATO funding requests, according to ATO officials.

4. (SBU) ATO officials said that most ATCs appreciate the overtime and consider it a vital part of their salaries. ATO officials stated that an Executive Order freezing overtime pay for Philippine government employees created discontent, which nearly erupted in a strike among ATCs (ref c). ATO officials petitioned and received a waiver, however, to allow the payment of overtime to ATCs and thereby averting any potential crisis. Jatico suggested that Secretary of Transportation and Communication Mendoza "misspoke" and may have overstated the urgency to the Charge in a misguided attempt to obtain the most funds for this cause (ref a). Jatico agreed that the situation could have become dangerous if it had not been immediately addressed through the waiver.

5. (U) In separate discussions with users of the air traffic control system here, representatives from Northwest Airlines (NWA) and UPS told us that there is no noticeable change in air traffic control quality. Neither carrier has experienced or heard of unusual delays in flight operations at airports in the Manila area. Both noted ATC cooperation and flexibility; UPS cited coordination for an enhanced aircraft approach that should be starting soon. Embassy

JUSMAG representative noted that U.S. military pilots experienced no sequence, separation, or other flight or landing anomalies that would indicate ATC problems. Metts pointed out that the nearest U.S. air traffic facility in Oakland corroborated these findings.

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Comment  
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16. (SBU) All data and conversations with industry suggest that ATC staffing is not a safety concern at this time. Secretary Mendoza appears to have been off the mark when he

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described the ATC deficiency as "dangerous" (ref a). He may have meant that staffing shortfalls and low wages were dangerous and unhealthy in the larger context of future civil aviation developments in the Philippines but was not referring to daily operations.

17. (SBU) The Philippines still faces a possible downgrade to FAA Category 2 based on related air safety issues. In order to maintain its Category 1 status, ATO must demonstrate in the coming months that its aviation action plan, drawn up last year, is on track and sustainable (ref d). GRP officials and FAA rep agreed that Congressional legislation to create a civil aviation authority is needed to ensure sustained funding for training and other important ongoing activities in the action plan. This legislation would also establish the enforcement authority necessary to run an aviation oversight industry. FAA officials plan to return to Manila to review progress on this issue in the next two months. However, Congress, currently distracted by a number of political controversies and potential constitutional amendments, may have difficulty focusing on this critical legislation for civil aviation. In addition to implications for air safety, a downgrade to Category 2 would also represent an embarrassment for the Arroyo Administration, a serious problem for the important tourism sector, and another negative signal to the investor community.

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